



OFFERING MEMORANDUM

**3161 E. PALMER-WASILLA HWY.**  
Wasilla, AK 99654

CONTACT

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## TABLE OF CONTENTS

OFFERING SUMMARY	02
PROPERTY CHARACTERISTICS	03
PROPERTY PHOTOS	04
• EXTERIOR	04
• INTERIOR	05
LOCATION OVERVIEW	07
• PLAT OF SURVEY	07
• LOCAL	08
• COMMUNITY	09
• REGIONAL	10
FINANCIAL OVERVIEW	11





## OFFERING SUMMARY

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Well-built and maintained office building on a busy, dedicated road between the two largest communities in the fastest growing borough (county) in Alaska. Superior access, visibility, traffic counts. Strong, clean tenant roster. The tenants are paying market rent. Recent exit by a below-market paying tenant allows for an owner-occupying and managing buyer. Investment grade as well: 8.20% capitalization rate.

LIST PRICE  
**\$2,300,000**

CAP RATE  
**8.2%**





## PROPERTY CHARACTERISTICS

ADDRESS:	3161 E. Palmer-Wasilla Hwy, Wasilla, AK 99654		
LEGAL DESCRIPTION:	Lot 1-A, D.J. Subdivision, 2011 Addition, Plat No. 2011-46, Palmer Recording District, Alaska		
PRICE:	\$2,300,000		
PRO FORMA:	Gross Annual Rents	\$330,072	
	Net Operating Income	\$188,598	
	Cap Rate at Price	8.20%	
BUILDING SIZE:	13,800 sf		
LOT SIZE:	68,448 sf		
ZONING:	This property is outside of the City of Wasilla. The Mat-Su Borough, outside of the cities of Wasilla, Palmer and Houston, generally has minimal zoning. Reference: <a href="https://matsugov.us/zoning">https://matsugov.us/zoning</a>		
TRAFFIC COUNTS:	12,014 average annual daily traffic counts (2019)		
NEIGHBORS:	<u>North of Highway</u> <ul style="list-style-type: none"><li>• Camper Valley RV (to both east and west)</li><li>• Mat-Su Public Health Center</li><li>• U.S. Postal Service</li></ul> <u>South of Highway</u> <ul style="list-style-type: none"><li>• Fastenal</li><li>• ARG Industrial</li><li>• Ferguson Plumbing Supply</li><li>• North Bowl</li></ul>		
WHY THIS IS A GOOD PROPERTY TO BUY:	<ul style="list-style-type: none"><li>• Little if any deferred maintenance.</li><li>• Buyer to inherit stellar management of the asset and its tenant roster.</li><li>• Low downside risk.</li><li>• Great location.</li><li>• Good cash flow leads to good underwriting, financing.</li><li>• Fastest growing area of Alaska.</li><li>• On the road between the two biggest communities in the Mat-Su Borough.</li><li>• Alaska is experiencing a growth spurt relative to time, place, geography, infrastructure spending, national security, climate, resources, and geo-political reasons.</li></ul>		





BUILDING EXTERIOR





# BUILDING INTERIOR





# BUILDING INTERIOR





**NOTES**

1. THERE MAY BE FEDERAL, STATE AND LOCAL REQUIREMENTS GOVERNING LAND USE. IT IS THE RESPONSIBILITY OF THE INDIVIDUAL PARCEL OWNER TO OBTAIN A DETERMINATION WHETHER SUCH REQUIREMENTS APPLY TO THE DEVELOPMENT OF THE PARCELS SHOWN HEREON.
2. THIS SUBDIVISION IS SERVED BY A COMMUNITY WATER SYSTEM. NO INDIVIDUAL WATER SUPPLY SYSTEM SHALL BE PERMITTED ON ANY LOT.
3. NO INDIVIDUAL SEWAGE DISPOSAL SYSTEM SHALL BE PERMITTED ON ANY LOT UNLESS SUCH SYSTEM IS LOCATED, CONSTRUCTED AND EQUIPPED IN ACCORDANCE WITH THE REQUIREMENTS, STANDARDS AND RECOMMENDATIONS OF THE STATE OF ALASKA, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, WHICH GOVERN THOSE SYSTEMS.
4. RECORD INFORMATION WAS TAKEN FROM D.J. SUBDIVISION, EAST PLAT No. 2006-142.
5. NO DIRECT ACCESS TO THE PALMER-WASILLA HIGHWAY UNLESS PREVIOUSLY APPROVED BY A.D.O.T./P.F. (SEE COMMON DRIVEWAY LOCATION)
6. BASIS OF BEARING IS 57°35'13"W 1402.41'(R) 1402.36'(M) DERIVED FROM ORIGINAL D.J. SUBDIVISION, PHASE III, PLAT No. 97-87 MONUMENTATION LOCATED AT THE NE AND SW CORNERS OF SAID SUBDIVISION.
7. THERE IS LESS THAN 1% CHANCE, IN ANY GIVEN YEAR THAT PART OF THE PLATTED AREA WILL BE INUNDATED BY THE BASE FLOOD EVENT.
8. MATANUSKA ELECTRIC ASSOCIATION, INC. BLANKET UTILITY EASEMENT PER BOOK 24 AT PAGE 41, RECORDED JULY 16, 1997.
9. MATANUSKA ELECTRIC ASSOCIATION, INC. BLANKET UTILITY EASEMENT PER BOOK 1097 AT PAGE 114, RECORDED OCTOBER 27, 2000.
10. MATANUSKA ELECTRIC ASSOCIATION, INC. BLANKET UTILITY EASEMENT PER RECORDING SERIAL NO. 2002-029186-0, RECORDED DECEMBER 20, 2002.
11. OPERATION AND MAINTENANCE AGREEMENT, COMMUNITY WATER SYSTEM RECORDED NOVEMBER 22, 2005, RECORDING SERIAL NO. 2005-033136-0.

**LEGEND**

(R) RECORD DATA FROM PLAT 2006-142

(M) MEASURED DATA

● RECOVERED 5/8" REBAR W/ PLASTIC CAP MARKED 2234-S

⊕ SET 5/8" x 30" REBAR W/ PLASTIC CAP MARKED AK RIM 2234-S

DOT=RECORD DATA FROM STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, RECORDING SERIAL NO. 2010-018074-0

SUBD.=SUBDIVISION

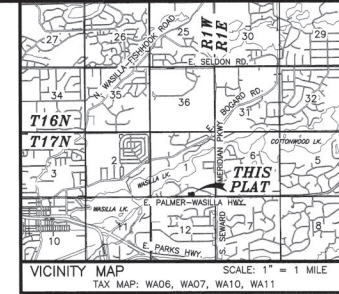
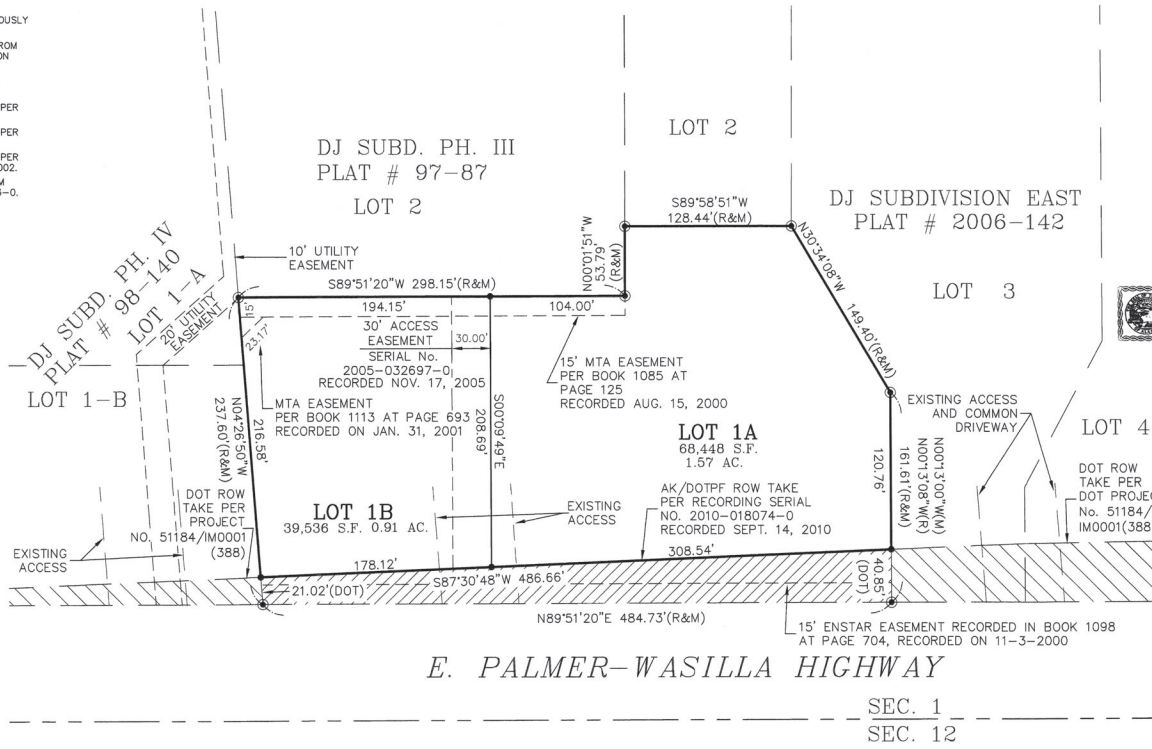
PH.=PHASE

W/=WITH

S.F.=SQUARE FEET

AC.=ACRES

MTA=MATANUSKA TELEPHONE ASSOCIATION



**CERTIFICATE OF OWNERSHIP**  
I HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I HEREBY ADOPT THIS PLAT OF SUBDIVISION BY MY FREE CONSENT.

*D.R. Smith* 7-18-11  
D.R. SMITH, LLC PRES.  
DORWIN SMITH  
2970 COTTLE LOOP  
WASILLA, ALASKA 99654

**NOTARY'S ACKNOWLEDGEMENT**

SUBSCRIBED AND SWORN TO BEFORE ME THIS 18<sup>TH</sup> DAY OF July, 2011 FOR  
*Dorwin Smith*  
NOTARY FOR THE STATE OF ALASKA  
MY COMMISSION EXPIRES 7-11-15

**PLANNING DIRECTOR'S CERTIFICATE**

I CERTIFY THAT THIS SUBDIVISION PLAT HAS BEEN FOUND TO COMPLY WITH THE LAND SUBDIVISION REGULATIONS OF THE MATANUSKA-SUSTINA BOROUGH, AND THAT THE PLAT HAS BEEN APPROVED BY THE PLATTING AUTHORITY BY PLAT RESOLUTION No. 407-10-200, DATED July 18, 2011, AND THAT THIS PLAT HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE RECORDER IN THE PALMER RECORDING DISTRICT, JUDICIAL DISTRICT, STATE OF ALASKA.  
PLANNING AND LAND USE DIRECTOR DATE  
ATTEST: *Marilyn Mckinn* 7-18-11  
PLATTING CLERK



**CERTIFICATE OF PAYMENT OF TAXES**

I HEREBY CERTIFY THAT ALL CURRENT TAXES AND SPECIAL ASSESSMENTS, THROUGH December 31, 2011, AGAINST THE PROPERTY, INCLUDED IN THIS SUBDIVISION OR RESUBDIVISION, HEREON HAVE BEEN PAID.  
*Jennifer Stedman* 7/18/11  
BOROUGH TAX COLLECTION OFFICIAL DATE

2011-46  
Plat #  
PALMER  
Rec Date  
7/19 2011  
Date  
Time 2:57 PM

**SURVEYOR'S CERTIFICATE**

I HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF ALASKA AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, AND THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONAL AND OTHER DETAILS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

DATE 6/30/11



**LOCATION OVERVIEW - PLAT OF SURVEY**

**D.J. SUBDIVISION 2011 ADDITION**

A PLAT OF  
**D.J. SUBDIVISION 2011 ADDITION**  
A SUBDIVISION OF  
**LOT 1, D.J. SUBDIVISION EAST**  
PLAT No. 2006-142  
EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, RECORDED SEPT. 14, 2010, SERIAL No. 2010-018074-0  
PALMER RECORDING DISTRICT  
LOCATED IN GOVT. LOT 10, SECTION 1, T17N, R1W, S.M., AK. CONTAINING 2.48± ACRES

ALASKA RIM ENGINEERING, INC.  
ENGINEERS-PLANNERS-SURVEYORS  
P.O. BOX 9749 PALMER, ALASKA 99646 (907) 746-0828 FAX (907) 746-0822  
W.O. 1000298 DATE: JULY, 2011 SCALE: 1" = 50'  
DRAWN BY: JMC FILE: 1000298\_PL SHEET 1 OF 1



# LOCATION OVERVIEW - LOCAL



STAYDEN  
PLUMBING &  
HEATING

FERGUSON  
PLUMBING  
SUPPLY

ARG  
INDUSTRIAL

FASTENAL  
FULFILLMENT  
CENTER

ESSENTIAL  
ONE

HEATSOURCE  
MECHANICAL

AK CHIRO-  
PRACTIC

ZO  
FINANCIAL

CAMPER VALLEY RV

★ 3161 E  
PALMER-  
WASILLA  
HWY

WASILLA  
CARRIER  
ANNEX

CAMPER VALLEY RV

MAT-SU PUBLIC  
HEALTH CENTER



# LOCATION OVERVIEW - COMMUNITY

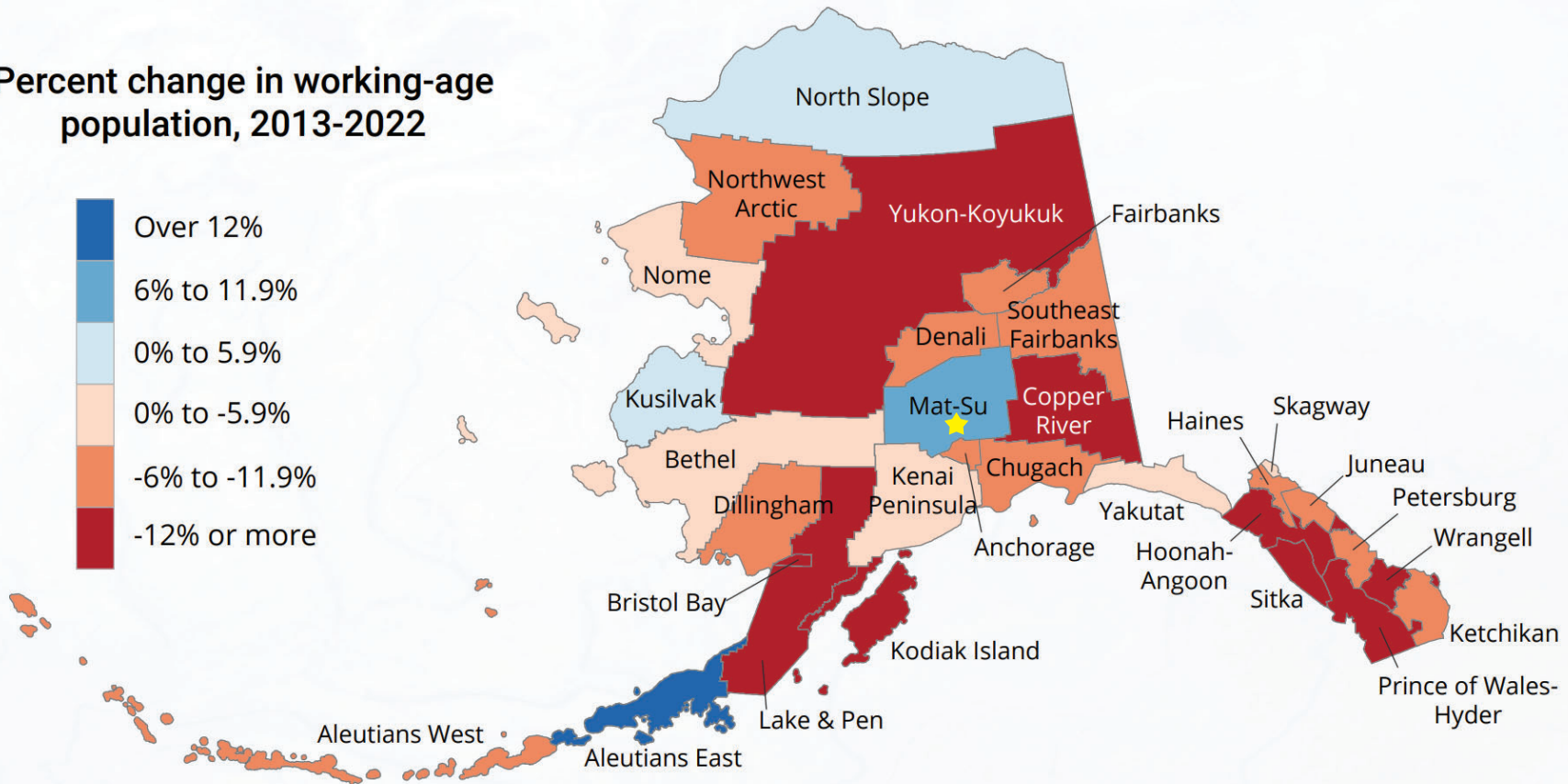
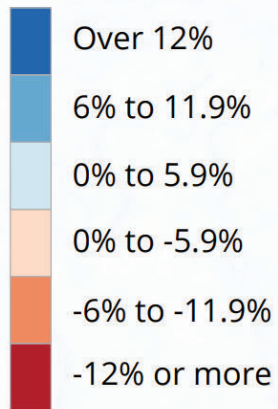


3161 E PALMER-WASILLA HWY



## LOCATION OVERVIEW - REGIONAL

Percent change in working-age population, 2013-2022





## FINANCIAL OVERVIEW

### LOCATION:

3161 E. Palmer-Wasilla Hwy.  
Wasilla, Alaska 99654

**PRICE:** **\$2,300,000**

**CAP RATE:** **8.2%**

**PRICE PER SF:** **\$166.67**

**BUILDING SF:** 13,800 SF

**LAND SF:** 68,448

**LAND:BUILDING RATIO:** 4.96

### TYPE OF PROPERTY:

Medical Arterial Strip Medical/Office/Retail

### CURRENT PROPERTY USE:

Primarily Medical  
Professional Offices  
Hair Salon  
Painting Contractor's Office

### PROPERTY OWNER:

Regan Building; LLC; Kelly Lucas, Sole Member

### ASSUMPTIONS:

Vacancies & Credit Losses	2.50% of PRI
Replacement Reserves	3.00% of ERI
Management	3.00% of ERI

## PRO-FORMA NET OPERATING INCOME

	Per Month	Per Year
<b>POTENTIAL RENTAL INCOME (PRI)</b>	<b>\$27,506</b>	<b>\$330,072</b>
Less: Vacancy & Cr. Losses (2.50%)	\$688	\$8,252
<b>EFFECTIVE RENTAL INCOME (ERI)</b>	<b>\$26,818</b>	<b>\$321,820</b>
Replacement Reserves (3.00%)	\$805	\$9,655
Management (3.00%)	\$805	\$9,655
Accounting/Bookkeeping	\$633	\$7,600
Hazard Insurance	\$984	\$11,810
Maintenance and Repair	\$3,350	\$40,203
2023 Property Taxes	\$1,005	\$12,063
Utilities	\$6,633	\$42,237
Total Operating Expenses:	\$14,215	\$133,222
<b>NET OPERATING INCOME:</b>	<b>\$12,603</b>	<b>\$188,598</b>



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